

Annual Assessment Report
Of
Argonne National Laboratory
For The Period
October 1, 1998 through September 30, 1999
(Fiscal Year 1999)

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Summary Evaluation:

In accordance with the performance-based contract with DOE, The University of Chicago is responsible for the management and operation of Argonne National Laboratory. This contract requires DOE to perform an annual performance evaluation of The University of Chicago. For the FY-99 fee-bearing performance measures, The University of Chicago performance has been rated very highly by the sponsoring DOE Program Offices and by the DOE Chicago Operations Office Argonne Group (CH-ARG). For FY-99, the ANL Science and Technology performance was rated as "Outstanding" (the highest rating). For the "Critical Operations" of the ANL Facility, ANL received an "Excellent" (the second highest grade) for Environment, Safety, and Health and an "Outstanding" for Infrastructure and Project Management. For the General Operations performance indicators that do not directly impact fee The University of Chicago received an "Outstanding" rating.

Background:

Beginning in June 1995, the Department of Energy (DOE) has had a performance-based contract with The University of Chicago for the management and operation of Argonne National Laboratory (ANL). In accordance with the terms of this contract, the DOE Chicago Operations Office, Argonne Group assesses the performance of The University of Chicago on an annual basis. A significant component of this performance evaluation is a separate assessment of the science and technology work by the sponsoring DOE Headquarters Program Offices.

For FY-99, Appendix B of the ANL contract includes two performance categories. Each of these performance categories is evaluated separately using a pre-defined process and adjectival ratings. The first performance category is "Performance Measures" which are tied directly to the fee earned by The University of Chicago. These Performance Measures are sub-divided into the Performance Measure of Science and Technology and the Critical Operations Performance Measures. A second performance category is "Performance Indicators" which are not tied directly to fee. These thirteen performance indicators represent an evaluation of the "General Operations" of the ANL facility.

Attachment B of the ANL contract also requires The University of Chicago to perform an annual self-assessment that is considered by the Argonne Group in its overall evaluation of The University of Chicago performance. For the Science and Technology performance measures The University of Chicago performs a highly regarded peer review process as its self-assessment. Copies of the documented peer reviews are provided to CH-ARG and appropriate DOE sponsors, as the reviews are conducted. For the two Critical Operations Performance Measures and the thirteen General Operations Performance Indicators, an annual self-assessment is conducted by the University of Chicago and provided to CH-ARG as input to the CH-ARG evaluation.

For FY-99, the Performance Measures that directly impact fee include three areas: 1) Science and Technology, 2) Environment, Safety, and Health, and 3) Projects and Infrastructure Management. The latter two performance measures are considered critical operations performance measures. The Performance Indicators, which do not

directly impact fee, describe thirteen areas that are important to the general operations of the Lab.

For the FY-99 Performance Measures, ANL achieved a rating of "Outstanding" (the highest rating possible) for Science and Technology. For the two Critical Operations Performance Measures, ANL received an "Excellent" rating (the second highest rating possible) for Environmental, Safety and Health and an "Outstanding" rating in Projects and Infrastructure Management. A fee table in the contract, negotiated each year along with the individual performance measures, is used to determine the monetary fee based on the assigned adjectival ratings. The overall process for evaluating ANL performance and determining the annual fee is described in Attachment A to this report.

The thirteen Performance Indicators (General Operations) are evaluated separately evaluations. ANL received no score lower than an Excellent. The summary assessment performed by DOE determined that ANL's overall performance exceeds the standard of performance. The summary assessment performed by DOE determined that ANL's overall performance exceeds the standard of performance established for management and operating contractors for multi-purpose laboratories. For Science and Technology, ANL significantly exceeds the standard of performance. For the remaining performance measures and performance indicators, ANL exceeds the standard of performance. For some performance measures and performance indicators, there remains room for improvement but, in general, better performance in other areas more than offset these areas of improvement.

Evaluation of Performance Measures

Table 1 is a summary of the three FY-99 Performance Measure ratings for ANL. These three Performance Measures (two in Critical Operations and one in Science and Technology) have a direct impact on the fee calculations.

Science and Technology

An overall rating of "Outstanding" was assigned to ANL for their performance in the area of Science and Technology. This critical area represents 80% of the total fee for FY-99. The Science and Technology Performance Measure is based on the following DOE-HQ evaluations:

- Office of Science evaluation dated December 27, 1999
- Office of Nuclear Energy, Science and Technology evaluation dated January 7, 2000
- Energy Efficiency and Renewable Energy evaluation dated January 10, 2000

These evaluations are included as Attachment B to this report. The highly regarded peer review process conducted by the University of Chicago during FY-99 supports this overall rating of "Outstanding". A list of the Peer Review Reports is included as Attachment C. Some specific ANL accomplishments during FY-99 include:

Operation of the Advanced Photon Source continues to exceed expectations with beam availability to users exceeding 95%.

Operation of the Intense Pulsed Neutron Source is notable with very high reliability and availability of service to users.

Operation of the ATLAS Facility continues to be very successful and the staff of the Physics Division has served as leaders in the area of nuclear structure physics.

Construction of the Basic Energy Sciences Synchrotron Radiation Center continues on schedule with the commissioning of the undulator and bending magnet beamlines and start of operation of the wiggler beamline.

Operation of the structural biology center has been outstanding. This includes the commissioning of the second beamline and full utilization of the first beamline under tight budget constraints.

Research in the area of microbial genomics is of the highest quality, using state-of-the art approaches to genome analysis including characterizing unknown genes and regulatory pathways in microbes.

Operation of the Southern Great Plains ARM site has been exemplary. Research has been effectively focused on reducing the uncertainty in predicting climate change and developing excellent interagency working relationships.

Research in advanced ceramics is world class with the organization focused on solving problems using sophisticated computer models.

Completion of the electrometallurgical treatment research and demonstration project.

The Office of Science (SC) provides over one-half of the DOE-HQ funding to ANL and has consistently recognized the high quality of Science and Technology work at ANL. For FY-99, SC has rated ANL as an "Outstanding" for Science and Technology work. The level of success in constructing and operating nuclear research and related facilities has been rated overall as a "Excellent" by the Office of Nuclear Energy, Science, and Technology (NE). ANL received an "Outstanding" from the Office of Energy Efficiency and Renewable Energy (EE) with special emphasis on the EE programs for automotive improvements.

While ANL exceeded the NE expectations for the completion of the electrometallurgical treatment research and demonstration project that is highly regarded by the international scientific community, there is a particular concern in the lack of effective management of the Sodium Processing Facility. Some other areas worthy of improvement have been identified. For the SC work, this includes the planning for plasma and fusion technology research and, in particular, the utilization of resources and in meeting budget goals.

Two DOE sponsoring organizations rated the ANL Science and Technology work as "Outstanding". No DOE-HQ sponsoring organization rated ANL any lower than an Excellent. The University of Chicago Peer Review process supports these overall ratings.

CH-ARG accepts the evaluations of the DOE-HQ Program Sponsors for the evaluation of Science and Technology work. No program or operational issues were considered significant enough by the Argonne Group to request DOE-HQ to change the final rating for Science and Technology Performance Measure.

Environment, Safety, and Health

Based on ANL's evaluation of their performance against the eight performance expectations under the Critical Operations ES&H Performance Measure, ANL achieved an "Outstanding" rating. However, as a result of the ANL self-assessment, ANL lowered this rating to an "Excellent". ANL stated that for ES&H the numeric grades do not represent the complete performance picture and, based on the recognition of numerous opportunities for improvement, an "Excellent" rating was more appropriate. ES&H is one of the two Critical Operations Performance Measures. ES&H performance accounts for 15% of the fee.

During FY-99, ANL continued to take important steps in the implementation of the Integrated Safety Management (ISM) System by providing the required phase 1 and phase 2 ISM readiness notification and participating in a pre-verification of the ISM System at ANL. No deficiencies were noted but some opportunities for improvement were identified during the pre-verification review. In addition, ANL completed the corrective actions from the ISM Gap Analysis. ANL has been taking proactive measures to reduce NPDES permit violations and has revised the environmental site-monitoring program to better address site hazards.

ANL has demonstrated outstanding performance in the development of category 2 facility authorization agreements, industrial hygiene monitoring, and ES&H training. The ANL ES&H training program now includes a variety of computer and web-based training modules. The ANL ES&H Manual continues to be reviewed and revised to ensure that the ES&H requirements reflect the latest DOE and regulatory requirements. ANL has maintained a cooperative working relationship with the environmental regulatory agencies. Based on a comprehensive CH-ARG review during FY-99, we have developed confidence in the of the ANL injury and illness reporting system

CH-ARG agrees with the overall rating of "Excellent" and supports the continuous improvement in the ANL ES&H Program. At the same time, it is important to identify those areas that still require some attention. Deficiencies in the ANL Price Anderson Amendments Act (PAAA) Rule Program were identified in FY-98 and FY-99. Both non-compliances with the 10CFR835 Occupational Radiation Protection Rule and deficiencies with reporting and tracking of potential non-compliance issues were identified. ANL needs to ensure compliance with the Quality Assurance Rule under the broadened definition of "nuclear" facilities. In addition, while the ANL internal assessment program continues to show improvement, there is a need for strengthening this ANL program. CH-ARG and external inspectors have found safety deficiencies that have not been previously identified by ANL.

Another example, where improvement is needed, is the completion of a laboratory-wide corrective action tracking system that can provide better internal communication and

make it easier to perform trending analysis. Based on an ARG review of non-compliant RCRA releases, ANL needs to provide more timely notification to CH-ARG. Handling of waste sodium has not been consistent. At the ANL-E site, ANL was lauded for safely removing bulk sodium stored on site. However, at the ANL-W site, ANL disposal of converted sodium did not comply with environmental regulations. Continued efforts are needed to ensure that hazardous materials are consistently and safely disposed.

Projects and Infrastructure Management

Based on performance expectations, the Projects and Infrastructure Management Critical Operations Performance Measure was rated by ANL as "Outstanding". No issues were identified in the ANL self-assessment to change that conclusion. The Projects and Infrastructure Management Critical Operations performance accounts for 5% of the FY-99 fee. This performance measure includes ANL activities associated with the environmental management.

ANL continues to be very aggressive in the achievement of cost and schedule baselines for construction and maintenance projects. ANL has one of the most highly regarded facility infrastructures in the DOE complex. ANL has also successfully reviewed and modified 77 DOE reportable systems for Y2K compliance. A DOE-HQ review substantiated that these systems were compliant with the Y2K requirements.

CH-ARG recognizes that ANL achieved improvements in operational efficiencies by the integration of the projects and facilities management with the environmental management functional areas. This resulted in reduced costs without a decrease in performance. ANL won the Illinois Governor's Pollution Prevention Award for innovative strategies and the use of alternative technologies to reduce the toxicity and volume of waste.

The environmental management work at ANL continues to be highly rated. CH-ARG believes that some opportunities for improvement exist in the coordination and integration of environmental management work at ANL, when several ANL divisions are involved. It would be beneficial if ANL proceeded aggressively with the Illinois EPA to expedite restoration of the ANL site.

CH-ARG agrees with the "Outstanding" rating in the Projects and Infrastructure Critical Operations Performance Measure and has seen a continuously improving process for the management of the facility infrastructure over the last year. A number of reviews, inspections, and audits were conducted during FY-99 that supported the high rating for ANL. These included a DOE-HQ review of waste operations at ANL, a USEPA RCRA inspection, a review of ANL's waste management transportation by the USDOT, and an audit of the waste stream packaging by the DOE Hanford site.

Evaluation of Performance Indicators

Leadership Expectations

Affirmative Action/Diversity and Personnel Management have been included under the Leadership expectation. For the Affirmative Action Diversity Performance Indicator and

based on the performance expectations, ANL rated an "Outstanding". As a result of the self-assessment ANL changed this rating to an "Excellent". Program budgets have been stable so very little recruitment is being conducted by ANL at this time. For FY-99, there was an increase for both professional women and minority workforce populations. ANL has recently added a diversity program web site that is informative, relevant, and easy to use. In addition, ANL has taken significant improvements in advancing the cause of persons with disabilities, including building and alarm upgrades. One minor issue is the need for a stronger connection between the ANL Diversity Staff and the Division of Educational Programs. CH-ARG agrees with the overall rating of "Excellent". Selected CH-ARG performance reports and issues have been included in this report as Attachment D.

Personnel Management was rated as "Outstanding" by ANL based on the performance expectations. No significant issues were raised during the self-assessment that would result in a change in this rating. Some notable accomplishments include several proactive and innovative improvements, such as the review and benchmarking of retirement benefits. In addition, several human resources computer applications were replaced resulting in the use of more cost-effective systems. A revised new employee orientation program has been implemented. An issue was raised by CH-ARG concerning the level of the cost benefit analysis concerning proposed changes in the retirement system. CH-ARG agrees with the overall rating of "Outstanding".

ES&H Expectation

Based on the performance expectations under the ES&H Performance Indicator, ANL achieved an "Outstanding" rating. However, as a result of the ANL self-assessment, ANL lowered this rating to an "Excellent". ANL stated that for ES&H the numeric grades do not represent the complete performance picture and based on the recognition of the opportunities for improvement, an "Excellent" was more appropriate. ANL, based on discussions with CH-ARG, chose to closely link the ES&H Performance Measure and the ES&H Performance Indicator. The basis for this linkage is that there is only one ES&H Program at ANL. Therefore, CH-ARG agrees with the overall rating of "Excellent" for the ES&H Performance Indicator.

Infrastructure Expectation

Projects and Infrastructure Management and Safeguards and Security Performance Indicators have been included under the Infrastructure goal. Based on performance expectations, the Projects and Infrastructure Management Performance Indicator was rated by ANL as "Outstanding". No significant issues were identified in the ANL self-assessment to change the rating. Notable accomplishments include the overall effectiveness of site maintenance management program, the decrease in energy usage, and the timely completion of condition assessment surveys. CH-ARG agrees with the overall rating of "Outstanding".

For FY-99, the Safeguards and Security Performance Indicator was rated as "Outstanding". No significant issues were identified in the ANL self-assessment to change the rating. ANL has been successful in passing the two FY-99 DOE safeguards and security appraisal and inspection with the highest ratings achievable. Security

systems at ANL, including alarm systems, continue to be up-dated. An organizational consolidation of the counter-intelligence organization occurred to increase efficiency. CH-ARG agrees with the overall rating of "Outstanding".

Business Operations Expectation

The Business Operations Performance Indicators include Financial Management, Information Management, Personal Property, Procurement, Technology Transfer, Work for Others, and Business Focus Areas.

Based on the performance expectations under the Financial Management Performance Indicator, ANL achieved an "Outstanding" rating. The ANL self-assessment changed this rating to an "Excellent". Compliance and internal controls of the ANL financial systems continue to meet DOE requirements. ANL significantly reduced the percentage of late accounts receivable. Enhancements to the budget and financial systems continued. This included the revision of ANL policies and procedures for budget formulation, execution and surveillance. In addition, a web page was developed to make this information accessible to users throughout the Laboratory. These initiatives were accomplished without increasing staff levels or costs. A cost savings initiative was completed for ANL air travel expenses. CH-ARG agrees with the overall rating of "Excellent".

Information Management Performance Expectations achieved a rating of "Outstanding". The self-assessment did not uncover any significant issues that would result in a change in the rating. ANL has established a chief information manager position. ANL continued to successfully implement its plans for Year 2000 readiness. An electronic procurement system has been implemented. Cost savings initiative were implemented in the areas of operational expenses and software licensing arrangements. The security for web based business systems has been enhanced. CH-ARG agrees with the overall rating of "Outstanding".

ANL performance when compared to the ANL Personal Property Performance Expectations achieved an "Outstanding" rating. ANL did not uncover any significant issues in the ANL self-assessment that would result in a change in the rating. A notable strength is the less than 1% property loss rate. CH-ARG has identified some weaknesses in the management of the ANL Personal Property Management Program. CH-ARG questions the results of the self-assessment. Notable was the lack of an evaluation of site vehicles. Also, the FY-99 Balanced Scorecard (BSC) Self-Assessment Plan was not completed in a timely manner. The self-assessment report did not implement the BSC plan, as was the expectation, which contained current, negotiated objectives and targets. CH-ARG disagrees with the overall rating of "Outstanding" and believes a rating of "Excellent" is consistent with the quality of the self-assessment.

ANL Procurement performance was rated as "Outstanding" when compared to the Procurement Performance Expectations. No significant issues were uncovered during the ANL self-assessment. Procurement department costs remain less than 1% of ANL revenues, which is well below the DOE average. Acquisition cycle times require only about one-quarter the time of the DOE average acquisition. ANL has taken efforts to enhance the quality of the procurement files through a random selection process. A

detailed checklist is being used to assess the individual procurement files. One area of concern for DOE relates to ANL's Work for Others (WFO) program. It is highly encouraged that the laboratory work within the parameters set forth in the DOE prime contract prior to entering into agreements. Increased interaction and cooperation would greatly improve the WFO program, as well as, minimize potential liabilities to the program and DOE. CH-ARG agrees with the overall rating of "Outstanding".

ANL achieved an "Outstanding" rating when compared to the Technology Transfer Expectations. No significant issues were uncovered during the ANL self-assessment. ANL made organizational and procedural changes in FY-99 to increase the efficiency of its operations. Surveys have determined that sponsors are satisfied with ANL's performance. Funding for work in this area continues to grow. Several awards were garnered by ANL for work results, including three R&D 100 Awards, a Discover Magazine Award, and a Presidential Green Chemistry Challenge Award. CH-ARG agrees with the overall "Outstanding" rating.

Work for Others achieved an "Outstanding" rating when compared to the Work for Others (WFO) Expectations. No significant issues were uncovered by ANL during the self-assessment. Processing time for WFO proposals and WFO closeouts is exceptional. The level of sponsor satisfaction remains very high. However, CH-ARG has identified issues with the Work for Others self-assessment. The delay in excessing old WFO property resulted in confusion on the implementation of this ANL procedure. In addition, the credit taken for the limited assessments, appraisals, and training, within the ANL self-assessment, was not supported by rigor or formality. On balance, overall accomplishments in the WFO are solid and CH-ARG agrees with the "Outstanding" rating.

Based on a comparison against the performance expectations, ANL achieved an "Excellent" for the Business Focus Area. The self-assessment did not uncover any issues that would change the rating. ANL continued to reduce overhead rates for work sponsored at the Lab, but did not achieve their target levels for an "Outstanding" rating. The operations and administration rates were reduced. Travel costs were reduced by a net of 1.35%, when compared to average industry savings, which is less than anticipated. ANL has expressed a concern that the continued reduction of overhead costs may not be achievable without impacting the site infrastructure and support services. This issue will need to be addressed in FY-2000 performance indicators. CH-ARG agrees with the overall rating of "Excellent".

Stakeholder Relations Expectation

Communications and Trust was rated as "Outstanding", when compared to the performance expectations. The self-assessment did not uncover any significant issues that would modify that rating. Of particular note are the continuation of Community Leaders Round Table and the positive involvement of the ANL Management in support of that outreach program. The relationship between ANL and the local communities and stakeholders is notable. A laboratory-wide communications plan, an emergency public affairs plan, and an exhibits plan were developed during FY-99. An open house was successfully completed in May. CH-ARG agrees with the overall rating of "Outstanding".

Fee Determination:

ANL achieved an Outstanding rating for the Science and Technology Performance Measure and the Projects and Infrastructure Performance Measure. The Environment, Safety and Health Performance Measure was rated as Excellent. Attachment E uses the performance ratings to calculate a FY-99 fee of \$3,425,000. The final rating for General Operations Performance Indicators is an Outstanding, however, no fee is tied directly to this rating.

TABLE 1
SUMMARY OF FY-1999
PERFORMANCE MEASURE RATINGS

Number	Functional Area	Performance Measures Ratings Based on Performance Expectations	ANL Self Assessment Ratings	CH-ARG Summary Rating
1	Science and Technology	Outstanding	Outstanding	Outstanding
2	Environmental, Safety, and Health	Outstanding	Excellent	Excellent
3	Projects and Infrastructure	Outstanding	Outstanding	Outstanding

The Critical Operations Performance Measures include the Environmental, Safety, and Health Performance measure and the Projects and Infrastructure Performance Measure. These measures are tied directly to fee.

Table 2
Summary of FY-1999
Performance Indicator Ratings

Number	Functional Area	Performance Measures Ratings	ANL Self Assessment Ratings	CH-ARG Summary Rating
1	Affirmative Action/Diversity	Outstanding	Excellent	Excellent
2	Financial Management	Outstanding	Excellent	Excellent
3	Communications and Trust	Outstanding	Outstanding	Outstanding
4	Projects and Infrastructure Management	Outstanding	Outstanding	Outstanding
5	Safeguards and Security	Outstanding	Outstanding	Outstanding
6	Environment, Safety and Health	Outstanding	Excellent	Excellent
7	Information Management	Outstanding	Outstanding	Outstanding
8	Personnel Management	Outstanding	Outstanding	Outstanding
9	Personal Property	Outstanding	Outstanding	Excellent
10	Procurement	Outstanding	Outstanding	Outstanding
11	Technology Transfer	Outstanding	Outstanding	Outstanding
12	Work for Others	Outstanding	Outstanding	Outstanding
13	Business Focus Areas	Excellent	Excellent	Excellent
	Summary for Operations	Outstanding	Outstanding	Outstanding

ANL, through their self-assessment process determined that a weighted average of all the performance indicators would be a low "Outstanding" rating. DOE has determined that an "Outstanding" summary rating for "general operations" is appropriate. DOE identified weaknesses during the DOE assessment of ANL performance but, when considered as a whole, these weaknesses do not change the "Outstanding" rating from the ANL Self-Assessment. In addition, CH-ARG did not identify any significant activities, in addition to those specifically evaluated, that would cause DOE to question any of the overall ratings for the general operations performance indicators.

Attachment A
Evaluation Process

Attachment A Evaluation Process

Background:

On May 24, 1995, the University of Chicago and the U.S. Department of Energy (DOE) executed a new performance based contract for the management and operation of Argonne National Laboratory (ANL). The contract includes the use of performance measures agreed to each year in advance by DOE and the University of Chicago, as standards against which ANL's scientific, technical, operational, and managerial performance are evaluated. Performance measures are adjectivally rated. The definitions of the adjectival ratings used in these evaluations are found in Table 1. While the selected performance measures are considered critical for measuring ANL's success, they are not viewed as a comprehensive basis for evaluating ANL performance. Each year ANL is required to perform a formal, comprehensive self-assessment of their overall performance. This self-assessment examines the ANL performance against the performance measures and includes other factors that ANL believes are important to the success of the ANL mission. Finally, DOE conducts an assessment of ANL's performance in "Science and Technology" and "Operations". This assessment is based on the DOE review of the ANL self-assessment, as well as, the results of the contractual performance measures, peer reviews, audits, appraisals, and other reviews conducted during the evaluation period. The DOE assessment determines the fee to be awarded by DOE to the University of Chicago under the contract.

Three performance periods have been completed under the performance-based contract. The first performance period covered the time frame from the time the new contract was signed to the end of FY-96. The second performance period was for FY-97. The third performance period is for FY-98. The fourth performance period is for FY-99 and is covered by this report.

Process:

Each year performance measures are negotiated between the University of Chicago and DOE. For FY-1999, performance measures were selected for a total of sixteen functional areas. ANL performance is divided into two distinct categories. The first category, Science and Technology includes two functional areas while the second category, Operations includes 15 functional areas. Weighting factors were also agreed to for each of the functional areas. The ANL contract is modified each year to include the negotiated performance measures and their weights.

For the DOE-CH assessment of the ANL "Operations" performance, a three-step process is performed annually at the end of the evaluation period. These steps are:

- 1) ANL evaluates their own performance against agreed to performance measures

and performance indicators.

- 2) ANL performs a self-assessment based on the performance measures and performance indicators evaluated under step #1 and considers other relevant factors that directly affect performance.
- 3) CH-ARG conducts an assessment of ANL's performance based on the ANL self-assessment; validates the ANL performance against the contractual performance measures; and identifies and considers other relevant factors that directly influence the assessment of ANL's performance

For the DOE-HQ assessment of the ANL "Science and Technology" performance, a three-step process is performed annually. These steps are conducted at the end of each evaluation period:

- 1) ANL performs a self-evaluation of their Science and Technology performance. This evaluation is based on input from formal peer reviews; a comparison of their performance against the performance measures; and, other information that they believe is relevant to an evaluation of their performance.
- 2) CH-ARG requests and receives appraisals from the DOE-HQ Program Organizations that fund significant science and technology work at ANL.
- 3) CH-ARG develops a single rating for Science and Technology based on the evaluations that were received from the DOE-HQ Program Offices. A final rating for Science and Technology is developed by weighting each DOE-HQ Program rating by the level of funding provided by that Program Office.

Where the level of funding does not warrant a separate rating or in the case that an evaluation is not received from the DOE-HQ Program Office, the peer review evaluations performed by ANL will be considered a primary source of information for the Annual Assessment Report. Based on the ratings developed for Science and Technology and Operations, DOE-CH-ARG prepares an Annual Assessment Report that summarizes ANL performance and establishes the basis for a fee determination.

Data Sources for DOE Assessment:

The ANL self-assessment and the individual ratings of ANL performance against the performance measures are key data for input to the DOE assessment. DOE validation of the performance measures data is also performed. For the performance evaluations in the areas of administrative management and operations support, input comes from the CH-ARG staff, CH functional divisions and offices which support CH-ARG in oversight of particular laboratory functions, as well as from HQ functional units.

The Argonne Group of the DOE Chicago Operations Office has primary responsibility for assessing ANL performance under the Operations category. The DOE-HQ Program Offices have primary responsibility for assessing ANL performance under the Science and Technology category. Table 2 lists all of the functional areas and the adjectival ratings assigned by both DOE and ANL for FY-1999. The Argonne Group has responsibility for preparing the Annual Assessment Report and determining the total fee to be awarded based on the individual ratings.

Input to the Science and Technology summary appraisal was solicited from sources having a significant interface with the University of Chicago and ANL. Input from DOE-HQ Program Offices has been solicited from CH-ARG for providing feedback and rating ANL programs. Where possible consolidated information for programs at the DOE Assistant Secretarial level was requested. Peer reviews for Science and Technology are also conducted by the University of Chicago and this information is made available to DOE.

Outstanding	Significantly exceeds the standard of performance; achieves noteworthy results; accomplishes very difficult tasks in a timely manner.
Excellent	Exceeds the standard of performance. Although there may be room for improvement in some elements, better performance in all other elements more than offset this.
Good	Meets the standard of performance; assigned tasks are carried out in a completely acceptable manner - timely, efficiently and economically. Deficiencies do not substantively affect performance.
Marginal	Below the standard of performance; deficiencies are such that management attention and corrective action are required.
Unsatisfactory	Significantly below the standard of performance; deficiencies are serious, may affect overall results, and urgently require senior management attention, prompt corrective action is required.

NOTE: The Standard of Performance is that which is reasonably expected of Management and Operating Contractors on the basis of applicable orders and regulations and on observations of the performance of comparable R&D organizations. It includes, for example, making effective use of sound management, administrative, and business practices within existing funding constraints.